

# Accounts Software

A good accounts program can help you organise your finances and keep you out of the red. Karl Wright looks at six programs for both home users and small businesses

**S**pending money has never been so simple. Credit is easy to come by, the hole in the wall will keep churning out tenners until you hit the bottom of your overdraft and, thanks to the internet, you can now shop without even having to leave the sofa. And that's before you take rising utility bills and housing costs into account. Sadly, earning money is just as difficult as it ever was. In fact, it's getting harder; according to a recent report in *The Guardian*, disposable incomes have fallen by two per cent over the past 10 years.

That's why it's more important than ever to keep a tight rein on your finances. Strictly speaking, you don't need special software for this. If you're a maths whizz with neat handwriting and a lot of time on your hands, you could keep a set of ledgers. Alternatively, you could use a spreadsheet such as Microsoft Excel to track your finances. Spreadsheets are good for this kind of work because you can configure them to calculate balances, carry sums over from one set of figures to another and so on. Even with a spreadsheet, however, you have to enter each transaction manually, and if you make a mistake in just one formula, all your finances can end up out of balance.

With a finance program, you can automatically download statements for your bank accounts, credit cards and other financial products. Once you provide information on things such as recurring bills and other future expenses, most of these programs will warn you before you slip into the red. Some can even analyse

your expenditure and make suggestions on how you might reduce your outgoings or plan for the future.

## CASHING IN

We tested six finance programs designed for home users and small businesses. Standards were high across the board, but there are still some things to look out for. First, check whether the program you intend to buy is designed for business or home use. Most business finance programs are based on traditional double-entry book-keeping. This is efficient but can be intimidating and, depending on how the program works, may not be suitable for tracking home finances. Business software also has lots of features that home users won't need.

Whether it's for business or home, a good finance program should be as easy as possible to use. It should preferably have a standard Windows-style interface, allowing you, for example, to drag and drop items, right-click to bring up a menu and so on. You should get a comprehensive, clearly written manual, and preferably a quick-start guide, too. Downloading and importing bank statements should be easy, and the program should help you reconcile your accounts, eliminating duplicate entries and other errors. A good finance package should also be able to produce clear and useful reports to help you understand your finances better.

We considered all these factors and more during our tests. Read on to find out which finance software package can help keep you out of the red.

## THIS MONTH

### Home User Accounts Software

**Accountz**  
**Personal Accountz**  
Page 125

**Microsoft Money**  
Page 125

### Business Accounts Software

**Avanquest Small Business Manager: 1Click Accounts 2007**  
Page 126

**Intuit QuickBooks SimpleStart 2008**  
Page 126

**MYOB Business Basics**  
Page 127

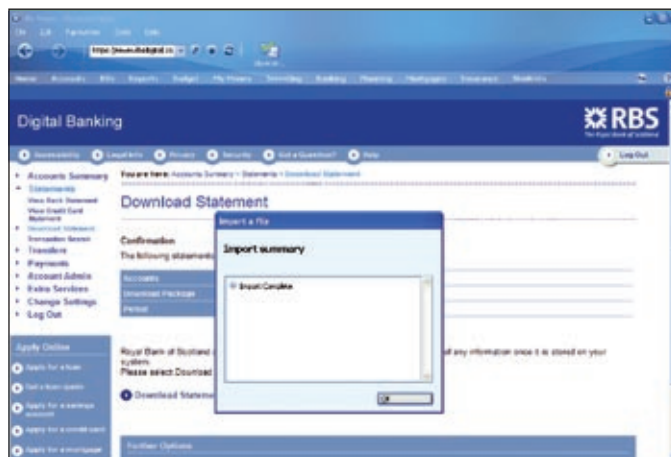
**Sage Instant Accounts 12**  
Page 127

## Online banking How finance programs talk to your bank

Some of the programs here can import statements from your bank, saving you the time and effort of entering transactions manually. This works in one of two ways. First, you can simply download a statement from your bank's website and import it. Most accounts programs support three file formats for statements: the open standards OFC and OFS, and Intuit's QIF format. Most programs also import standard comma- and tab-delimited text files.

Alternatively, some programs can connect directly to your bank's servers. This is possible

because some banks and other financial institutions have shared details about their server and security systems with software manufacturers. However, this doesn't mean that your program connects directly to the bank. Instead, your software connects to a single, trusted server (for instance, the MSN Money servers). As well as requiring you to log in to your bank's website in the normal way, the connection is secured using encryption standards such as HTTPS, which provides an extra layer of authentication and security.



◀ Microsoft Money can connect to your bank account thanks to cooperation between your bank and Microsoft. Not all financial institutions participate, however. You can't automatically download statements for an Egg credit card, for instance

ACCOUNTZ  
Personal Accountz

★★★★★

£40 inc VAT  
From [www.microanvika.com](http://www.microanvika.com)

Personal Accountz is one of only two products here aimed at home users, and it's based on the double-entry system of accounting.

Double-entry book-keeping is complicated, to say the least. Rather than tracking a real bank account, credit card or whatever, the user creates 'nominal' accounts for each type of income or expenditure. A debit in one account must be balanced by a credit in another. For instance, when you buy £1,500 of goods, you debit the Costs account £1,500 and credit the Stock account with the same amount.

This sounds logical enough, but it gets more complicated. When a business makes a sale, it debits its Costs account and credits the Sales account with the same amount. The goal is for the overall Control account to have a zero balance, and for the Sales account (or Income, or whatever you wish to call it) to have more money in it than the Costs account. Some of the double-entry programs in this test have up to 70 of these nominal accounts, which is enough to make your head swim.

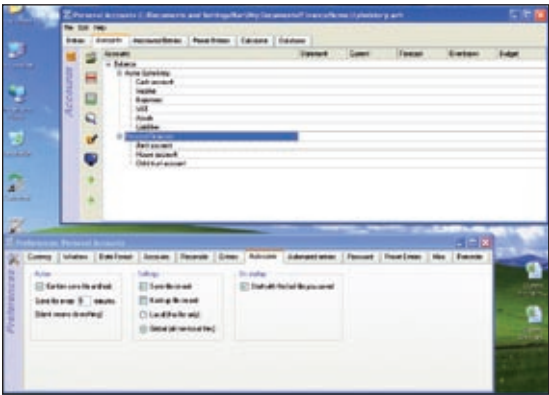
Personal Accountz, however, is logical, straightforward and comes with a good manual and quick-start guide. The program is organised into tabs. The three most important are Accounts, Database and Entries. Together, the Accounts and Database tabs function rather like the design view of an Access-style database program. They let you create the different accounts you wish to track and assign attributes to them, such as whether an account is real or nominal, what monthly budget constraints you wish to place on it and so on. The functions of the Accounts and Database tabs are so closely related that we suggest you combine them in the Preferences.

Once you have your account structure, you can enter transaction details for each account using the Entries tab. When you enter a transaction you tell the software from which account it should be debited and to which account it should be credited. You use

**SUMMARY**

- ✓ Easy to use
- ✓ Good manual
- ✗ Fewer features than competitors

ACCOUNTS SOFTWARE Requires Windows 2000/XP, 1GHz processor, 512MB RAM, CD-ROM drive  
DETAILS [www.accountz.com](http://www.accountz.com)



▲ Personal Accountz isn't the flashiest program here, but it's logically laid out and the interface is easy to customise

the Automated Entries and Preset Entries tabs to tell the software about payments you know are imminent and whether they're one-offs or recurring payments. You can then use the Forecast function to check whether your account is likely to go into overdraft in the near future.

Simplicity has its drawbacks. The program's reporting function is basic compared with those of its competitors – it simply shows all the transactions in a given account – and it doesn't have bells and whistles such as flowchart screens and fancy visuals. If, however, you want a program that takes the tedium out of tracking and balancing your finances but lets you do the thinking, this is the software for you – as long as you don't mind putting in some effort to get to grips with the double-entry system.

MICROSOFT  
Money

★★★★★

£18 inc VAT  
From [www.amazon.co.uk](http://www.amazon.co.uk)

**BEST BUY** Money is completely different to every other program on test this month. Instead of using double-entry book-keeping, it tracks the state of your actual bank accounts, pensions and investments, which simplifies life a great deal.

Rather than worrying about balancing nominal accounts and matching credits and debits, you simply have to make sure that the information from your bank statements is entered into the relevant account in Money. You don't even have to do this manually – you can simply download your latest statements from your bank and then import them into the software. Money can read statements saved as QIF and OFX files, as well as standard tab- and comma-delimited text files. However, we'd recommend that you enter information manually when possible. Whenever we downloaded and imported files, discrepancies crept into the financial record, forcing us to spend time hunting down the anomalies.

Money is divided into two types of tabs. The first contains the program's

actual features, while the second takes you to specific pages on the MSN Money website. Sometimes these are interesting, sometimes they aren't, and sometimes they've moved and the tab annoyingly points to a defunct URL (although Microsoft always suggests an alternative page).

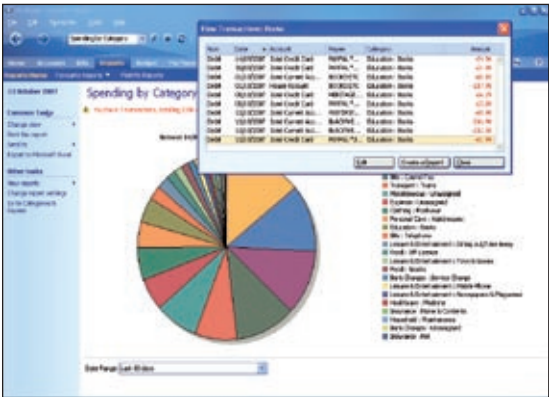
Minor annoyances such as these, however, are amply compensated for by the program's features. Money does much the same as the other programs on test: it tracks the health of your finances and, using information you provide, predicts any possible shortfalls or cashflow problems. However, Money comes up trumps in three ways.

First, it's simple: it tracks the health of your real financial investment, so no dark arts of accountancy are required. Second, it can analyse your expenditure and produce sophisticated reports, telling you what you're spending your money on and advising you where to cut back. It will even generate pop-up advice

**SUMMARY**

- ✓ Great price
- ✓ Easy to use
- ✓ Designed for home users

ACCOUNTS SOFTWARE Requires Windows 98 SE/Me/2000 (SP3)/XP, 300MHz Pentium II processor, 128MB RAM, 130MB disk space  
DETAILS [www.microsoft.com/uk](http://www.microsoft.com/uk)



▲ Money does so much that it can take a while to get to grips with, but for home users it has the best range of features and presents information in a way that's easy to understand

windows telling you, for instance, that you should make larger repayments on your credit card in order to avoid paying a large sum of interest. Third, it presents its reports in a visual and accessible way, for instance as pie charts and graphs.

Microsoft Money can be fiddly to use, and sometimes entering perfectly correct information seems to throw accounts off balance; when backdating some entries, for example. However, Money is detailed, easy to use and, if you give it enough information, will plan your budget for you and warn you before you go into the red. For home users with no experience of double-entry book-keeping and very little time on their hands, this is the program to choose.

## AVANQUEST

### Small Business Manager: 1Click Accounts 2007

★★★

£35 inc VAT

From [www.amazon.co.uk](http://www.amazon.co.uk)

Avanquest's Small Business Manager is about as different to Personal Accountz (page 125) as it is possible to be. Like Accountz, it uses double-entry book-keeping. When you start using it, you create a bank branch and then a bank account for yourself. You then tell the program whether or not you wish to track this account as part of your chart of accounts, the mixture of real and nominal accounts that make up your double-entry system.

Rather than a simple list of accounts and transactions, you are presented with a series of flowcharts. Each chart represents a function or a group of functions that a small business is likely to carry out. Each workflow ends in a financial transaction, which leads to a record being entered in one of your accounts. For example, there's a customer management workflow, in which you move from identifying a customer right through to submitting an invoice or an estimate.

#### SUMMARY

- ✓ Works over a network
- ✗ Too complicated
- ✗ Confusing manual

ACCOUNTS SOFTWARE Requires Windows 2000/XP, 800MHz Pentium III processor, 256MB RAM, 250MB disk space  
DETAILS [www.avanquest.co.uk](http://www.avanquest.co.uk)

All this is fine in theory. In fact, we rather like the way the program allows you to choose whether or not to associate a real account with your chart of accounts, giving you the opportunity to track some real accounts (such as a personal bank account) in the same straightforward manner you would if you were just keeping a simple record of transactions. However, Small Business Manager seems determined to make life as complicated as possible. There are 12 different flowcharts, some with as many as nine different steps. When you click on the Chart of Accounts, you're presented with a list of well over a hundred default nominal accounts; your accounts are somewhere in the list. Grouping accounts into families is also difficult. When we tried to set a given account as a family account – one with sub-accounts – the software simply wouldn't let us and didn't



▲ Small Business Manager certainly does a lot, but its interface is cluttered and there are a lot of controls to find your way around

work as it was supposed to. We were perplexed by the manual, which is very oddly structured. Rather than presenting all the relevant information on a topic in one place, it provides summaries with embedded hyperlinks, so you find yourself leaping from one place to another within the document.

In many ways, Small Business Manager reminds us of Sage and QuickBooks, with its integration of business workflow and accounting and its flowchart system. However, it has neither the refinement of Sage nor the simplicity of QuickBooks. Comprehensive as it is, we can't recommend this program, as it's too complicated and the interface is too messy. Learning how to use it would require more time and effort than most small-business owners have to spare.

## INTUIT

### QuickBooks SimpleStart 2008

★★★★★

£42 inc VAT

From [www.dabs.com](http://www.dabs.com)

Good accounts software should be easy to learn and quick to give you the results you need; otherwise it's part of the problem, not part of the solution. This is where QuickBooks SimpleStart hopes to come in.

SimpleStart has fewer features than many of its rivals reviewed here. It can produce only 14 reports and has no facilities for paying employees, for example. It also offers just 31 default accounts in the Chart of Accounts and has only one basic company template. Don't let any of this affect your decision, though; if you are a sole trader or even in a small partnership, this software will do everything you need to keep your finances and your business in good order.

On the main screen is a flowchart with 10 steps for your entire business workflow. The screen is divided into three sections: Money In, Your Business and Money Out. Each step in the flowchart falls into one of these sections. This simple organisational

scheme helps you find what you want instantly. The effect is spoiled a little by the number of functions that are hidden in the menus, but for the most part these are kept behind the scenes.

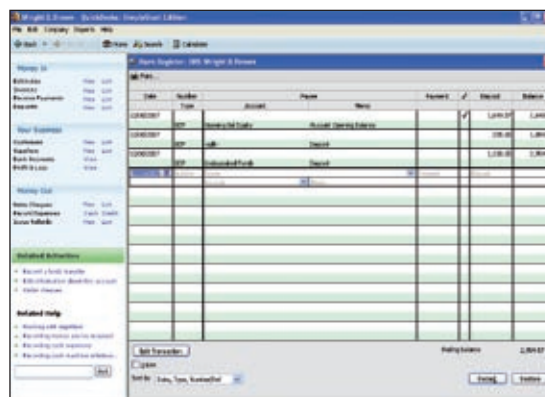
Creating a transaction is simple. You click on the relevant step in the flowchart and the program gives you the option of making a new entry – an estimate, an invoice or whatever – or viewing existing entries. Once you have created an entry, it's automatically entered into the correct account in your Chart of Accounts.

When the time comes to move a job to the next step in the flowchart, the program makes it easy to match invoices to payments and other transactions. As well as the flowchart, you can also use the side panel to view customers, invoices, received payments and other important details quickly, which is very convenient.

#### SUMMARY

- ✓ Very easy to use
- ✓ Tailored to small businesses
- ✗ Fewer features than other products

ACCOUNTS SOFTWARE Requires Windows 2000/XP/Vista (32-bit only), 1.8GHz processor, 512MB RAM, 1GB disk space  
DETAILS <http://quickbooks.intuit.co.uk>



▲ Although it's a relatively basic program compared with many of its competitors, QuickBooks SimpleStart does everything that most sole traders require, and it's very easy to use

While it can't generate many reports, those that QuickBooks can generate will be enough for most small businesses. They include topics such as a profit and loss and balance sheet, as well as more specific reports such as activity by customer and sales by item. Creating a report requires a number of mouse movements, and, annoyingly, you can't export SimpleStart reports as PDFs, only as text files.

QuickBooks SimpleStart is a very simple program, and some people won't like it for that reason. If you are an experienced book-keeper, MYOB Business Basics will be more to your taste. If, however, you run a small business with a very simple workflow and you just want something that will make book-keeping easier, QuickBooks SimpleStart is ideal.



## MYOB Business Basics

★★★★★

£65 inc VAT

From <http://uk.insight.com>

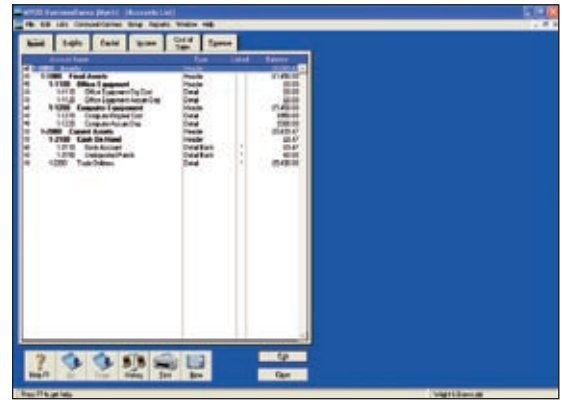
When you first install Business Basics, it puts you through an impressively thorough setup routine. The business file templates are comprehensive and even include an entry for Freelance Writer. However, on some of the more specialist templates such as this, the list of accounts generated – such as Wages and Shrinking/Spoilage – feels a bit generic.

The software is built around Command Centres for Accounts, Banking and Sales. Each Command Centre contains a simple flowchart that corresponds to the typical workflow for that category. For example, in the Sales Command Centre you start with the Sales Register, which handles quotes, invoices and returns, then move on to printing invoices and receipts, tracking payments and analysing debtors. Each transaction you create is automatically entered into the relevant nominal account.

Moving a job through the process chart is easy. First, you create the initial quote. This is recorded in the Quotes tab of the Sales Register, but not in your

chart of accounts. If your quote is accepted, you select its entry in the Sales Register and click the Change button to Invoice. In two clicks the quote becomes an invoice and is recorded as an asset in the Trade Debtors account of your Chart of Accounts. Matching invoices to payments received or refunds is just as easy. Once it has enough records, the software can run more than 70 reports on your data, from statements of profit and loss to payment and credit analyses for each customer. Reports are easy to generate: pick the one you want from the report menu and export it in a format of your choice, including HTML and PDF.

Managing and tracking jobs is easy, but the interface takes some getting used to. The Command Centres and flowcharts are fine, but when you open your list of accounts from the Command Centre and click on an individual account you don't see a record of transactions. Instead, you're shown the



▲ MYOB's interface takes some getting used to, but after that the program is comprehensive and not too difficult to use

properties of that account, which you can edit. In many ways, the Accounts List is similar to the design view of a database. This may be logical, but it doesn't feel it. Clicking on an account is the natural way to open it and view its entries. Instead, you have to go to the drop-down Find Transaction list, choose to filter by account, enter the relevant dates and select the right account. This is a lot of work to achieve a very basic function. Other important functions, such as creating new customer or supplier records, must be accessed from the main menu system.

If you need something more detailed and customisable than QuickBooks SimpleStart and are prepared to learn how it works, MYOB Business Basics is a good finance manager. However, its interface stops it getting an award.

### SUMMARY

- ✓ Lots of good features
- ✓ Manages entire business workflow
- ✗ Non-standard interface

ACCOUNTS SOFTWARE Requires Windows 98/Me/2000/XP, 200MHz processor, 32MB RAM, 35MB disk space  
DETAILS [www.myob.co.uk](http://www.myob.co.uk)

## SAGE Instant Accounts 12

★★★

£114 inc VAT

From <http://uk.insight.com>

Sage Instant Accounts works in much the same way as the other business accounts programs here. Down the left-hand side of the screen are lists of tasks and links, and beneath that is a set of tabs. Each task controls a particular function – such as creating a new customer record – while the links allow you to see at a glance your lists of customers, outstanding invoices, available reports and so on.

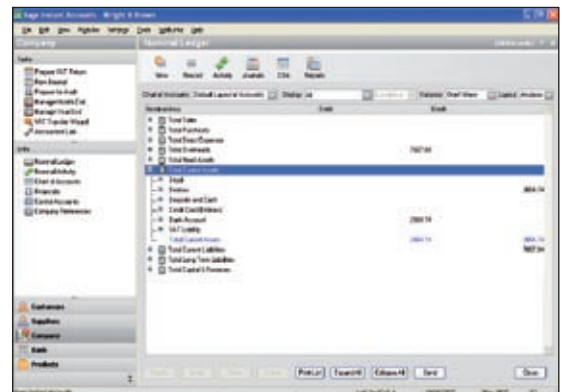
The tabs provide access to groups of functions relating to customer and supplier management, company records, bank records and the like. The first two tabs, Customers and Suppliers, contain the familiar process charts, which take you from making a quotation to receiving a payment.

As with the other programs in this month's test, you create a quotation, and when it's accepted you convert it into an invoice and match the invoice to a payment. In the meantime, the software works in the background to keep your accounts up to date. The other tabs contain bank records, stock inventories and so on.

When you set up the program, it asks you some questions about your business and then recommends a set of pre-defined nominal accounts for you. If the accounts Sage recommends aren't an exact fit, you can customise the list to suit your needs. This is just as well, as the program provides surprisingly few business templates, recognising a few specialties such as medical companies and hotels, but otherwise defaulting to a standard chart of accounts.

Instant Accounts can generate up to 50 reports for the standard set of accounts. Creating reports is easy: just click on the reports link, choose the report you want to run, specify any necessary parameters (dates, customer codes and so on) and click OK.

Reports can be exported to a variety of formats, including HTML and PDF. You can also choose to email your report directly from within the program. Instant Accounts will then open your email client and attach the report to a message.



▲ Sage Instant Accounts has a great interface and produces lots of useful reports, but at this price we'd expect nothing less

In most respects, this is a very good program. The list of company templates is limited, but otherwise it does everything you'd expect. Its interface allows you to interact in the way you'd expect of a standard Windows program. After MYOB, which really made us work just to get to grips with its controls, this was a great relief. However, given that this is the most expensive program here by a considerable margin, we would expect it to be good. In fact, to justify this kind of price, we'd expect it to do even more than it does. If you run your own business and you need finance software that's more comprehensive than QuickBooks SimpleStart, we recommend MYOB Business Basics. It takes a little longer to get to grips with and the interface isn't as nice as Sage's, but at only £49 it's well worth putting in the extra effort. **CS**

### SUMMARY

- ✓ Very good interface
- ✗ Few business templates
- ✗ Too expensive

ACCOUNTS SOFTWARE Requires Windows 98/SE/Me/2000 (SP3)/XP, 400MHz processor, 128MB RAM, 150MB disk space  
DETAILS [www.sage.co.uk](http://www.sage.co.uk)